

## Pharmacy Management

### Utilization Management Key to Controlling Opioid Costs

#### Executive Briefing

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In the last *PMA Executive Briefing*, I examined two of the primary strategies for controlling pharmacy costs:

- *managing the mix of drugs (formulary) prescribed to injured workers*
- *managing the channels through which workers obtain drugs*

In this issue, I'll address the third primary strategy, *utilization management*, an essential part of controlling pharmacy costs. Utilization management ensures medications prescribed are appropriate and necessary to treat workplace injuries, helping the injured workers recover safely and return to work. A key part of utilization management involves overseeing opioid usage by injured workers.

#### **Opioids Plague Workers' Compensation**

Opioids account for 25 percent of drug costs in workers' compensation claims.<sup>1</sup>

Because of the nature of workers' compensation injuries (overexertion, strains, sprains, etc.), pain

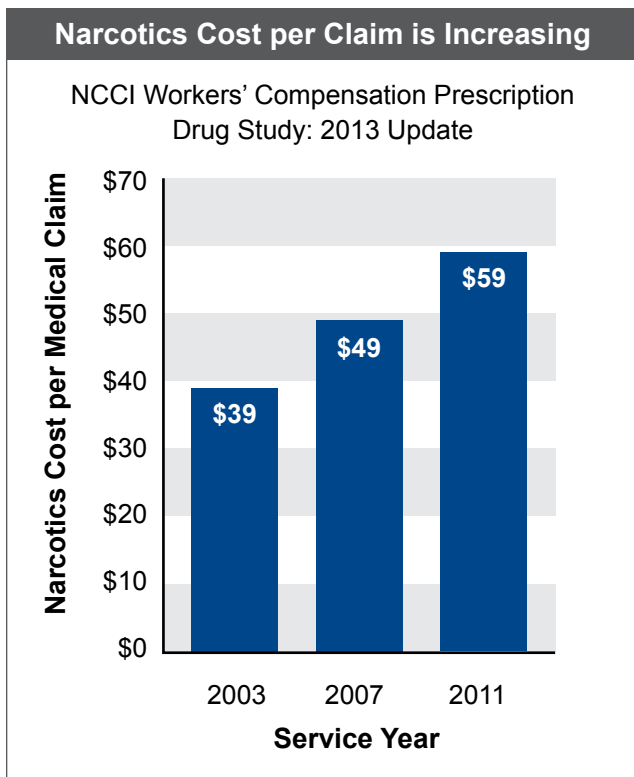
management may be needed, leading to opioid prescriptions. Nearly 20% of injured workers received at least one narcotic prescription, while approximately 6% receive at least five narcotic prescriptions.<sup>2</sup>

Opioid usage can lead to higher workers' compensation costs, including more surgeries, more physical therapy and longer recoveries. For example, in one study the length of disability was found to be 69 days longer with early high-dose opioid usage.<sup>3</sup>

#### **Early and Ongoing Management**

Instituting strong controls from day one of a claim is an important strategy to managing the utilization of opioids. These include formulary alerts and coordination with a pharmacy nurse specialist (PNS), pharmacy benefit manager (PBM) and claims adjuster.

The focus is on advancing injured worker safety and well being, avoiding dependency, and controlling costs. Upfront management begins at the point of



sale when an injured worker fills the first prescription. For example, an injured worker may be prescribed an opioid for acute pain at the time of injury. The prescription should be for short-acting drugs, not long-acting opioids. Point-of-sale alerts can recognize if the prescription does not meet these clinical guidelines and trigger an intervention.

In addition, the upfront review should include alerts for prescription drugs that are leading indicators of potential narcotic usage. Taking certain non-narcotic drugs are indicative that the injured worker may soon progress to the next level of pain management, opioids. This strategy informs the carrier/TPA that intervention is needed to prevent potential future opioid usage.

Another point-of-sale strategy is a *Morphine Equivalent Dose (MED)* program. Before an opioid is dispensed, the MED value should be calculated for the individual prescription and on a *cumulative* basis (all narcotics prescribed for an injured worker). Prescriptions exceeding recommended guidelines are submitted for review by the carrier/TPA's clinical staff, who may contact the injured worker's medical provider to obtain the medical rationale for the treatment and discuss therapeutic alternatives.

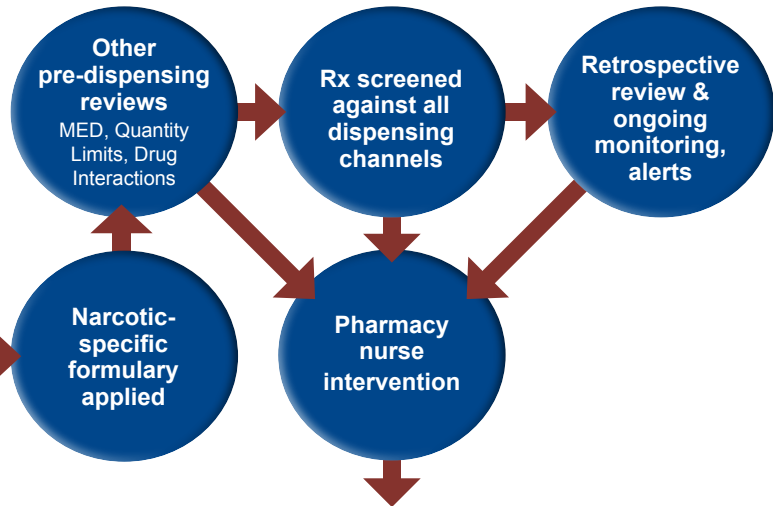
*Drug Utilization Review* proactively watches for potential therapeutic concerns—such as multiple prescribers, multiple pharmacies, refilling too soon, drug-drug interactions, cost, therapeutic duplication, morphine equivalent dose, and more. Any concerns detected should trigger an intervention strategy.

### **Intervene with Strong Protocols**

The key to achieving results with a narcotics management program is action. The carrier/TPA must have a rigorous system in place with strong protocols to act. These protocols should be based on analysis of data from pharmacies, physicians, drug tests, claims files and bill review information. Through this integrated approach, the team creates an injured worker profile and pharmacy risk assessment to determine the appropriate level of intervention needed for a claim. It enables constant monitoring and intervention by the right expert at the right time.

## Elements of an Effective Opioid Management Program

An aggressive Opioid Management Program provides Point-of-Sale and Retrospective Utilization Review, with monitoring and clinical intervention throughout the life of the claim. The goals are worker safety, avoiding dependency and controlling costs.



Intervention is key to addressing opioid abuse. Depending upon the issue, a number of solutions may be applied, such as these examples.



As discussed in the last *PMA Executive Briefing*, a pharmacy nurse specialist can play a key role on the pharmacy management team. As the internal expert for the carrier/TPA, the Pharmacy Nurse Specialist is part of the overall case management team, conducting an in-depth review of the claim, prescriptions and jurisdiction, and working closely with the pharmacy benefit manager.

The quality of a PBM is important and the best ones work closely with their carrier/TPA and will offer a strong narcotics management program that focuses on early detection and intervention. They also provide advanced analytics to assist in the appropriate management of medication, as discussed above.

The carrier/TPA's intervention strategies often include partnering with the right external experts to address the issue. For example, a clinical pharmacy resource may be brought in to develop a narcotics weaning program for an injured worker addicted to opioids.

### Addiction and Older Claims

Longer-term claims can be especially problematic if injured workers become addicted to opioids. In fact, as many as 35 percent of injured workers with chronic pain have become addicted to their medication.<sup>4</sup>

When dealing with opioid addiction in longer-term claims, carriers/TPAs need the expertise of a clinical

team and pharmacy benefit manager. The goal is to create a weaning program to help injured workers get off drugs and return to work. Program strategies may include physician peer-to-peer review, drug testing and injured worker narcotics education.

In the next **PMA Executive Briefing**, I'll examine the last key area affecting overall pharmacy costs—physician dispensing.

PMA Companies series of **Executive Briefings** explores the strategies necessary to effectively manage medical costs of workers' compensation claims today. These include integrated occupational health and wellness, early intervention, case management, bill review, pharmacy management, narcotics utilization and physician dispensing.

1. NCCI, Workers' Compensation Prescription Drug Study, 2013 Update.
2. NCCI, Workers' Compensation Prescription Drug Study, 2013 Update.
3. <http://www.ncbi.nlm.nih.gov/pubmed/17762815>
4. Express Scripts, "A Team Approach to Opioid Management," <http://lab.express-scripts.com/lab/insights/workers-compensation/a-team-approach-to-opioid-management>

### About the Author



**John Santulli, Executive Vice President, PMA Companies**, leads PMA's customer-focused service functions all integrated under a single umbrella including Claims, Managed Care, and Risk Control Departments and third-party administrators PMA Management Corp. and PMA Management Corp. of New England. With over 30 years of workers' compensation expertise, Mr. Santulli has held leadership positions in the field as well as key operational departments such as underwriting, distribution management, claims and services across PMA. A graduate of Gettysburg College, he has a Chartered Property Casualty Underwriting (CPCU) designation.

## Fraud, Waste and Abuse

Utilization management should seek to eliminate fraud, waste and abuse—all significant issues affecting drug costs and usage in workers' compensation claims.

Drug testing of injured workers is a key strategy, ensuring not only that workers are adhering to prescribed levels, but also that they are taking their medication. This helps detect or prevent cases of abuse or fraud, supports therapy adherence and controls pharmacy costs.

Analytics should be used to identify potentially troublesome relationships, patterns and scenarios of drug use, identify and review outliers and flag suspicious activity for investigation.

Early intervention may also include outreach to the injured worker to encourage taking opioids only as prescribed by their doctor, an educational approach that can reduce misuse and abuse.